



(OTCQX: PBAM)

(Holding Company for CalPrivate Bank)



Q3 2024
Investor Update

October 18, 2024

FORWARD LOOKING STATEMENTS

This presentation contains expressions of expectations, both implied and explicit, that are “forward-looking statements” within the meaning of such term in the Private Securities Litigation Reform Act of 1995. We caution you that a number of important factors could cause actual results to differ materially from those in the forward-looking statements, especially given the current turmoil in the banking and financial markets. These factors include the effects of depositors withdrawing funds unexpectedly, counterparties being unable to provide liquidity sources that we believe should be available, loan losses, economic conditions and competition in the geographic and business areas in which Private Bancorp of America, Inc. operates, including competition in lending and deposit acquisition, the unpredictability of fee income from participation in SBA loan programs, the effects of bank failures, liquidations and mergers in our markets and nationally, our ability to successfully integrate and develop business through the addition of new personnel, whether our efforts to expand loan, product and service offerings will prove profitable, system failures and data security, whether we can effectively secure and implement new technology solutions, inflation, fluctuations in interest rates, legislation and governmental regulation. You should not place undue reliance on forward-looking statements, and we undertake no obligation to update those statements whether as a result of changes in underlying factors, new information, future events or otherwise. These factors could cause actual results to differ materially from what we anticipate or project. You should not place undue reliance on any such forward-looking statement, which speaks only as of the date on which it was made. Although we in good faith believe the assumptions and bases supporting our forward-looking statements to be reasonable there can be no assurance that those assumptions and bases will prove accurate.

NON-GAAP FINANCIAL MEASURES

This presentation contains certain non-GAAP financial measures in addition to results presented in accordance with GAAP. The Company uses certain non-GAAP financial measures to provide meaningful supplemental information regarding the Company's results of operations and financial condition and to enhance investors' overall understanding of such results of operations and financial condition, permit investors to effectively analyze financial trends of our business activities, and enhance comparability with peers across the financial services sector. These non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, financial measures prepared in accordance with GAAP and should be read in conjunction with the Company's GAAP financial information. A reconciliation of the most comparable GAAP financial measures to non-GAAP financial measures is included in the financial tables of the press release with the Company's financial results for the quarter.

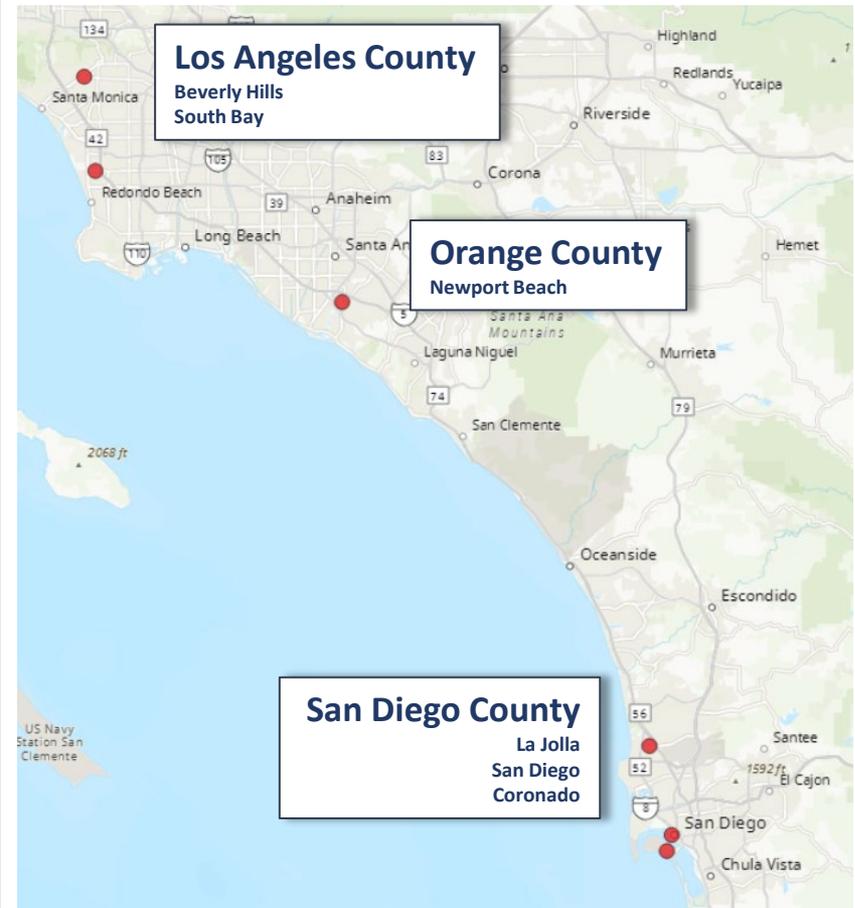
The CalPrivate Bank Franchise

- Founded in 2006 and headquartered in La Jolla, California, Private Bancorp of America, Inc. owns and operates CalPrivate Bank, a dynamic relationship-based commercial bank
- With 6 branch locations in Los Angeles, Orange, and San Diego counties, we provide a **Distinctively Different**[™] approach to serving our Clients, which include high net worth individuals, real estate professionals and small to medium-sized businesses
- Our branch-light, high-touch relationship-based model places Clients at the center of focus resulting in superior outcomes
- Named by American Banker as the #13 Top Performing Bank between \$2B to \$10B for 2021 through 2023 (top 4% of banks)

PBAM Stock Total Return (vs. KBW Bank Index & S&P 500)



Coastal Southern California Footprint



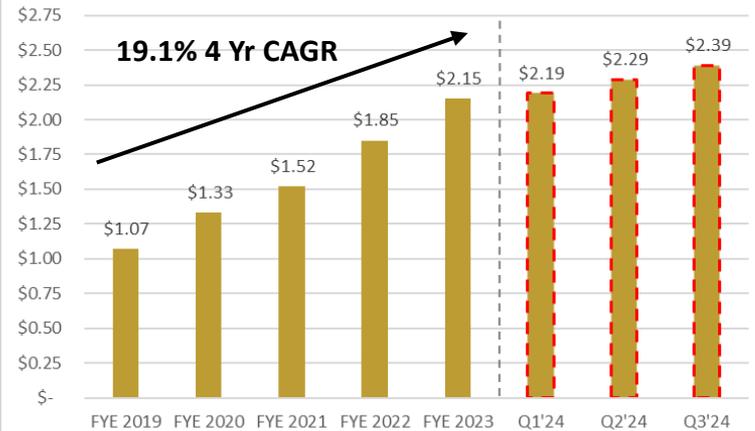
Consistent Focus on Shareholder Value Creation



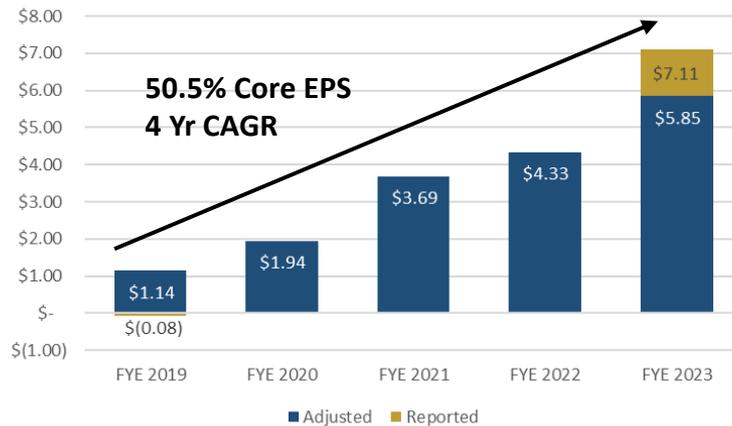
Growth Oriented Strategy

- Culture of excellence in all aspects of serving Clients
- Growth oriented Sales and Service Teams
- Consistent growth of earning assets at strong yields
- Core EPS growth above 50% CAGR over the last 4 years
- Adding shareholder value through disciplined capital deployment and strong tangible book value growth

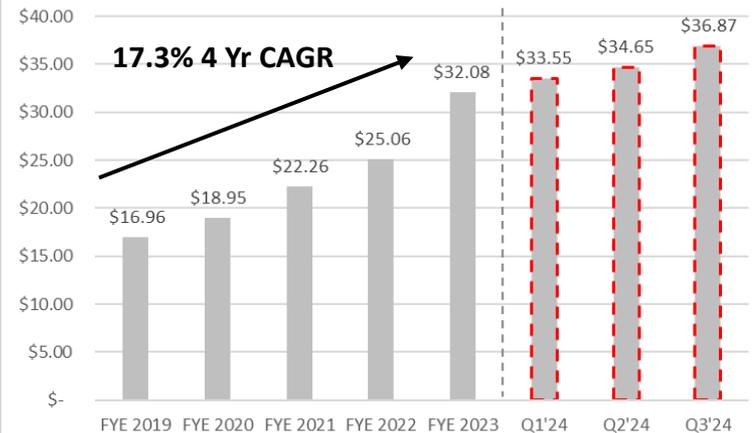
\$ Total Assets (in Billions)



\$ Annual EPS



\$ Tangible Book Value per Share



Financial Highlights

- \$9.5 million in Net Income
- \$1.63 Earnings Per Diluted Share
- \$2.39 billion in Assets
- \$2.01 billion in Loans HFI
- \$2.11 billion in Deposits
- \$36.87 Tangible Book Value Per Share (up \$2.22 from 6/30/2024)

Operational & Performance Highlights

- 49.46% Efficiency Ratio
- 4.44% Net Interest Margin
- 1.62% Return On Average Assets
- 18.18% Return On Average Tangible Common Equity
- 12.71% CalPrivate Bank Total Risk Based Capital Ratio*

* Preliminary

Asset Quality Highlights

- ALLL of \$26.6 million or 1.32% of total loans HFI
- Non-Performing Assets to Total Assets Ratio of 0.48%, up from 0.11% in prior quarter
- Total Classified Assets of \$14.9 million, of which \$12.4 million is secured by real estate with an average LTV of 45.0%
- No doubtful credits

Loan & Deposit Highlights

- Loans HFI grew \$33 million, up 1.7% from Q2'24
- Average Portfolio Loan Yields of 7.27%, down from 7.37% in Q2'24
- Core deposits increased \$130 million, up 7.4% from Q2'24
- Non-interest-bearing deposits represent 27.7% of total deposits (31.2% of core deposits)
- Total Cost of Funds - 2.71%; Cost of Deposits - 2.62%
- Uninsured deposits, net of collateralized and fiduciary deposit accounts, represent 47.8% of total deposits
- \$1.9 billion total available liquidity at 9/30/24 - representing 191% of uninsured deposits, net of collateralized and fiduciary accounts

Opportunistic Balance Sheet Growth

- Drive organic growth through relationship-based banking, expanding current client relationships and obtaining new ones
- Opportunistic top-tier talent acquisition for new markets and current market expansion
- Broader penetration into High Net Worth, legal industry, property management & family office
- M&A and / or IPO Readiness

Leverage Operating Model

- Maintain loan pricing discipline through relationship-based model, mix of products, and strategic use of floors and prepayment penalties
- Focus on deposit growth and retention and opportunistic industry niches
- Execute on operating efficiency improvements through technology investments

Risk, Liquidity, Funding and Capital Management

- Maintain disciplined loan underwriting practices and active portfolio management
- Enhanced portfolio monitoring and reporting, stress testing, etc.
- Maintain appropriate levels of liquidity, capital and reserves
- Optimize on and off-balance sheet liquidity

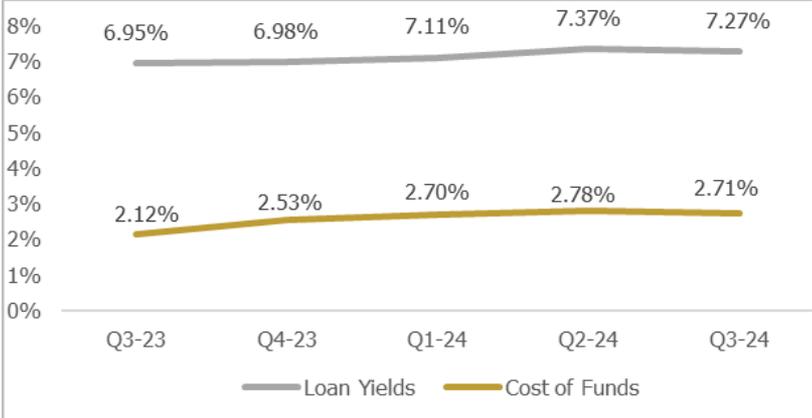
Non-Interest Income Opportunities

- Treasury Management focus on increasing fee income in existing customer base
- Expansion of merchant and cross-border services to drive new revenue channels
- Exploration of new niche markets that provide fee income and deposits
- Recent hires to focus on strategic product and innovation opportunities

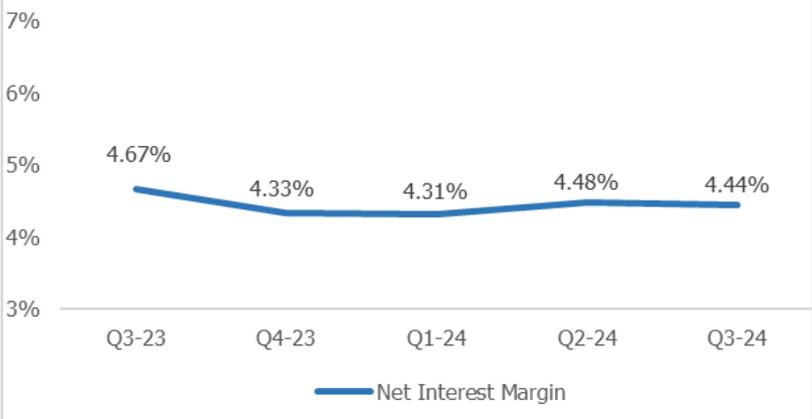
Investments in Innovation to Support Growth

- Utilize nCino loan origination platform to drive efficiency in CRM, lending workflow and approval
- Continue to build technology partnerships to expand service offerings
- Leverage Technology & Innovation Committee to expand FinTech growth initiatives
- Enhance product roadmaps and utilize data to streamline sales cycle and opportunity identification within portfolio

Loan Yields & Cost of Funds



Net Interest Margin



NIM Protection Strategy

Proven Relationship Banking model allows for keen understanding of Clients and providing them with value

Strong Loan Yields

- Desirable mix of Fixed, Variable and Hybrid loan types
- Fixed Rate Loan Terms generally at 5 years or less
- Relationship model allows us to maintain spread pricing discipline on new originations
- Use of Prepayment Penalties, Floors & other Yield Protecting Loan Structures

Deposit Retention & Growth

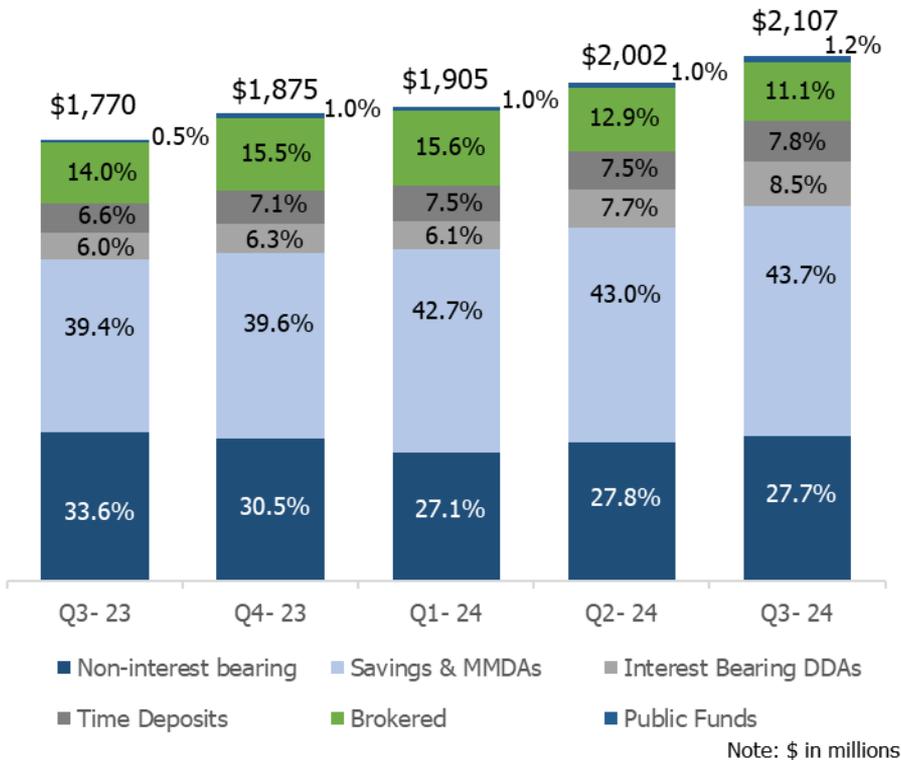
- Robust product offering, including IntraFi ICS & CDARS programs
- Exception based deposit pricing which can be adjusted with changes in treasury rates
- Recent expansion of legal vertical with new hires

Other NIM Performance Contributors

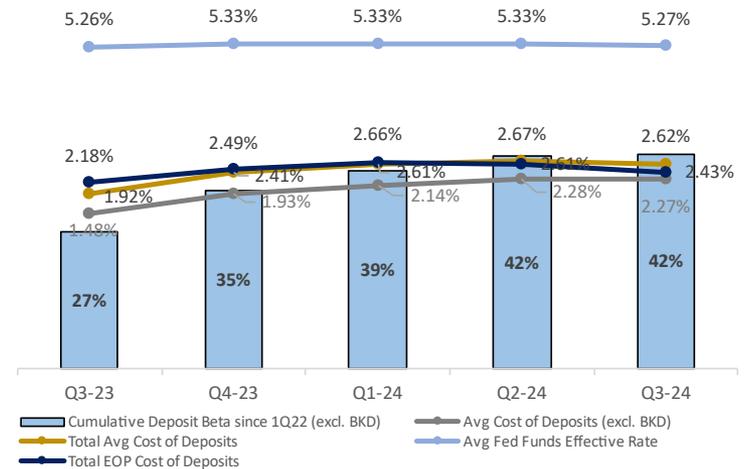
- Strong Yields on Cash and Due From Banks
- Alternative Funding Sources and Borrowings used to fund transactional, higher yielding assets
- Opportunistically seeking growth in securities book to increase overall portfolio yield
- \$317K nonaccrual interest reversed in 3Q'24, adjusted loan yield of 7.33%, and NIM of 4.49%. \$590K of nonaccrual interest recognized in 2Q'24, adjusted loan yield of 7.25% and NIM of 4.37%

Emphasis on deposit retention in an environment of higher rates and extreme competition. Focus on proactive management of exception priced deposits with Fed moves and client yield alternatives

Growing Customer Deposits



Deposit Rate Trends

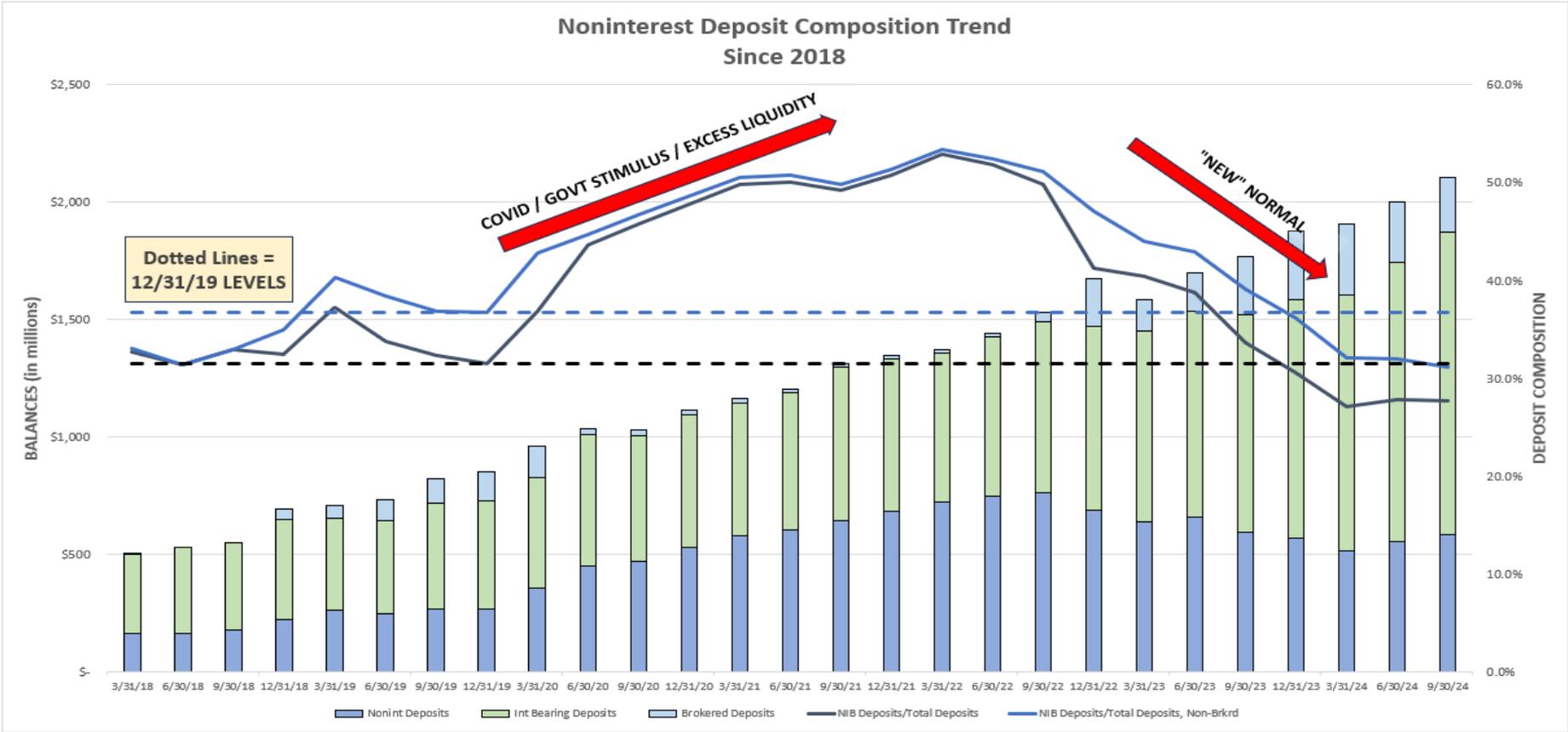


- Total deposits increased \$105 million during Q3'24 (5.3%), comprised of \$130 million growth from core deposit accounts and \$25 million reduction in brokered deposits.
- Year-over-year core deposit growth of \$351 million (23.0%).
- Weighted average ending deposit rate of 2.43% during Q3'24, 2.13% excluding brokered accounts.

Noninterest Deposit Trends



Focus is on full banking Relationships, including operating accounts. Non-interest bearing DDA balance growth that we saw during the extended low interest rate environment and unprecedented government stimulus (pandemic response) is returning to historic levels

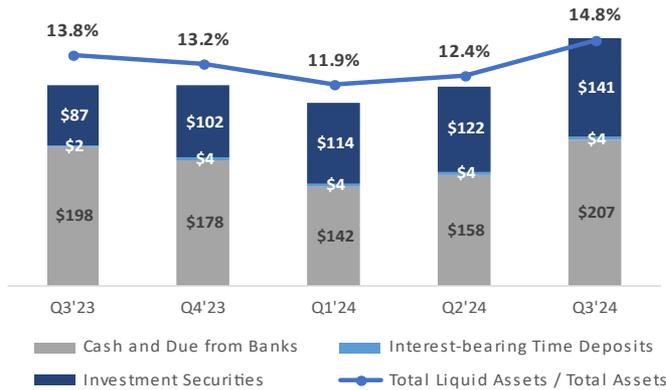


Strong Liquidity & Funding Position

Focus on maintaining strong liquidity position and optimizing from a diverse funding mix

Liquid Assets

Note: Dollars in Millions



Total Available Liquidity

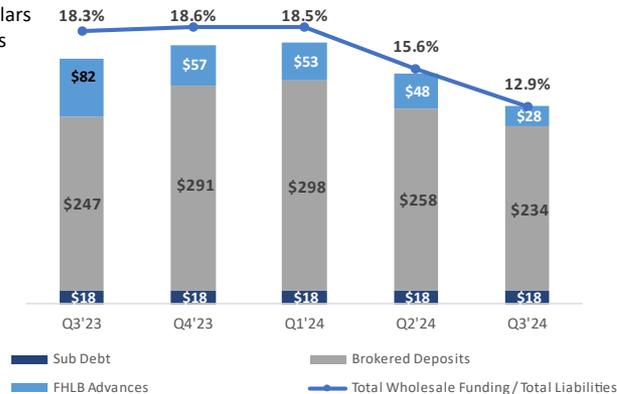
Liquidity Sources	& Unused (000's)	Uninsured Deposits
Cash, unrestricted	203,080	20%
Liquid Securities ¹	136,508	14%
Total Liquidity From Internal Sources	339,588	34%
FHLB	522,523	52%
FRB	565,710	56%
Brokered Deposits	399,150	40%
Other ²	100,000	10%
Total Liquidity From External Sources	1,587,383	158%
Total Liquidity From Internal & External Sources	1,926,971	191%
Uninsured Deposits, net of collateralized & fiduciary accounts	\$1,007,779	
Uninsured Deposits / Total Deposits	47.8%	

¹ U.S. Treasuries, Agency Debt, Ginnie Mae/Fannie Mae/Freddie Mac MBS & CMO

² Unsecured Fed Funds lines of credit, secured repo facilities

Wholesale Funding

Note: Dollars in Millions



Commentary

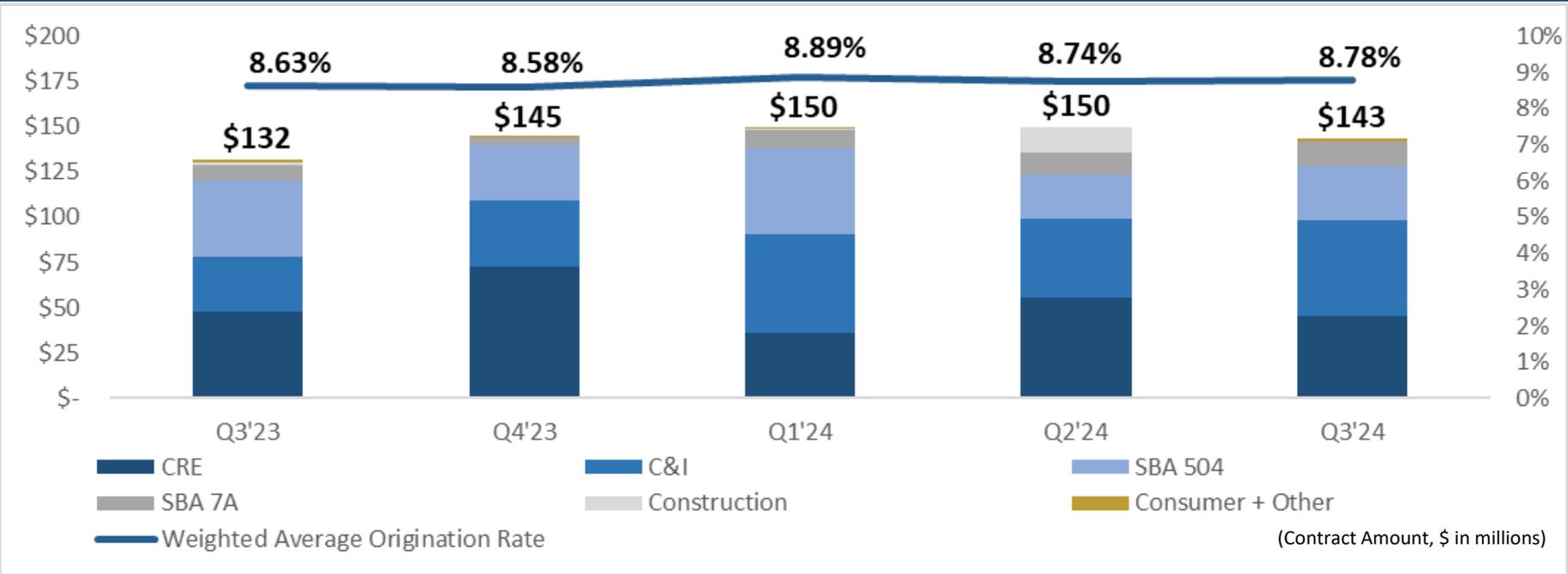
- Q3'24 liquid assets increased and wholesale funding decreased in comparison with Q2'24 on percentage of assets and liabilities basis
- Opportunistic use of term advances and brokered deposits at various points on the curve to protect NIM
- \$1.9 billion total available liquidity at 9/30/24 - \$340 million on-balance sheet and \$1.6 billion from external sources. Total liquidity represents 191% of uninsured deposits, net of collateralized and fiduciary accounts

Loan Originations by Quarter



Due to slower loan demand across the industry and with our Clients, we are opportunistically lending across all channels and regions at desirable rates of return to drive higher Net Interest Income and protect NIM

Loan Originations



Commentary

- Current lending strategy targets the use of Prepayment Penalties, Floors and other Yield Protection structures with an overall emphasis on Margin and Profitability over Balance Sheet growth
- Quarterly originations remain strong over last five quarters

Key Origination Rates

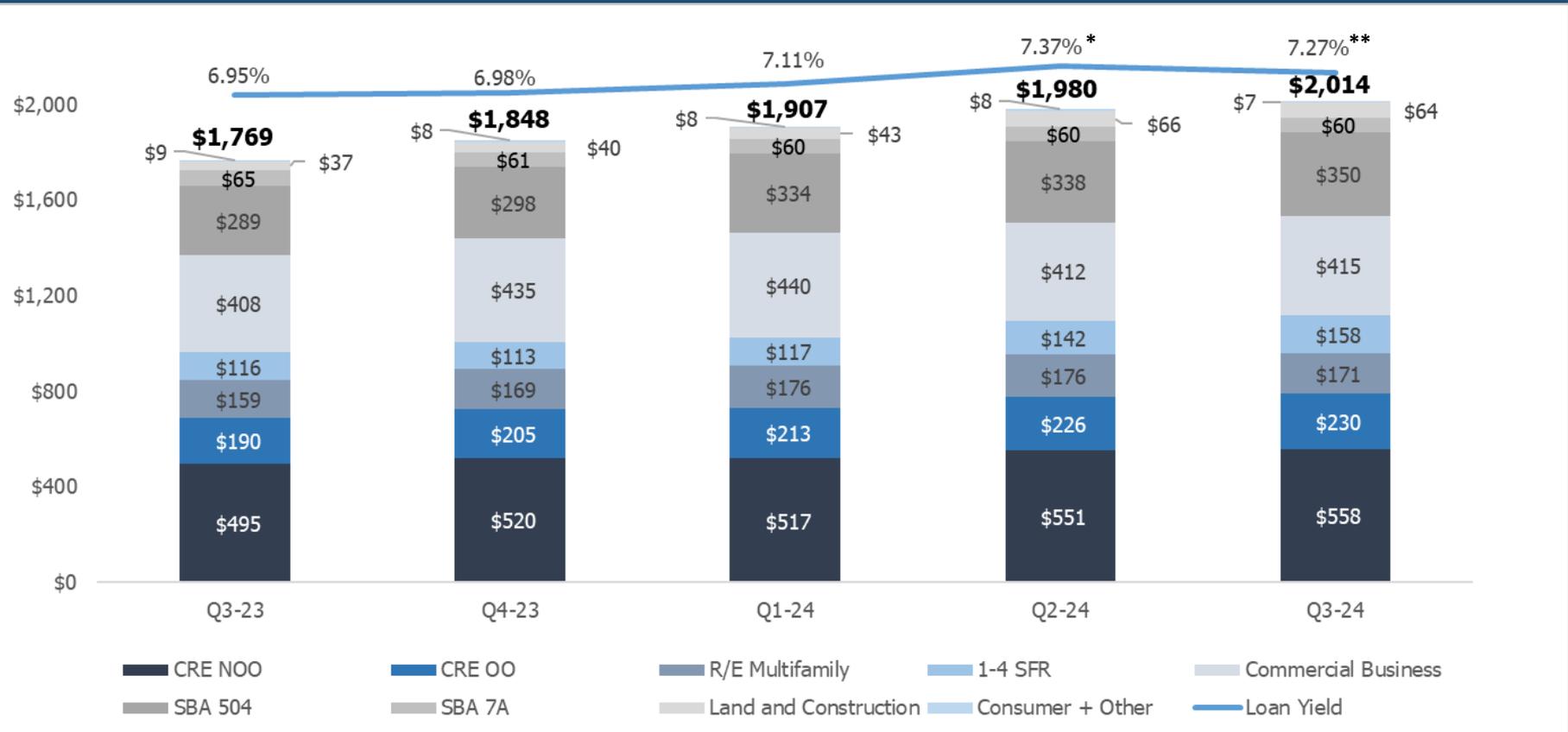
	1Q'24	2Q'24	3Q'24
• CRE	8.14%	8.17%	8.67%
• C&I	9.04%	8.73%	7.91%
• SBA 504	9.40%	9.89%	9.86%
• SBA 7A	11.13%	11.12%	11.08%

Demonstrated Organic Growth in Loans



Taking advantage of market opportunities and restricted lending by others produced increases in loan balances by 14% YoY with strong yields.

Loan Balances



*\$590K of nonaccrual interest recognized in 2Q'24, adjusted loan yield of 7.25%

**\$317K of nonaccrual interest reversed in 3Q'24, adjusted loan yield of 7.33%

Note: Dollars in Millions

Loan Portfolio Breakdown

Loan Portfolio by Industry

Borrower's Industry (by NAICS sector code)	Total (in 000s)*	% of Total Loans
Real Estate Investment/ Rental & Leasing \$	1,112,635	55.2%
Construction/ Builders & Contractors	77,513	3.8%
Accommodation/Hotels & Food Services	195,733	9.7%
Manufacturing & Productions	78,438	3.9%
Professional/Scientific/Technical Service	64,339	3.2%
Retail Sales & Trades	87,136	4.3%
Health Care and Social Assistance	99,275	4.9%
Wholesale Trade	32,451	1.6%
Finance & Insurance	60,318	3.0%
Transportation & Warehousing	31,487	1.6%
Waste Mgt and Remediation Services	22,144	1.1%
Arts, Entertainment and Recreation	11,984	0.6%
Management of Companies and Enterprises	26,946	1.3%
All other	113,932	5.7%
Total Loans*	\$ 2,014,330	100.0%

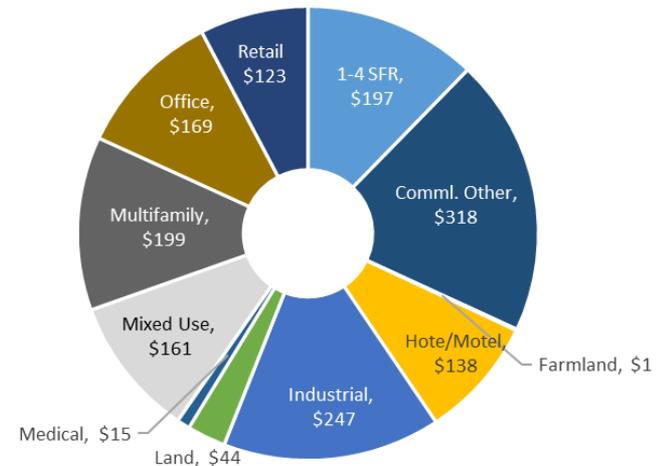
*Amounts do not include premiums, discounts, deferred fees and costs. Includes loans held for sale

Loan Concentration

- Diversified Portfolio is 80% Real Estate secured with 52% average LTV
- Geographically, the Bank lends primarily in the major metropolitan areas of coastal Southern California: Los Angeles represents 42%, San Diego represents 24% and Orange County represents 10% of total loans
- SBA 504 2nd trust deeds - Bridge Loans with typical terms of 1 year or less represent \$17 million
- Current competitive conditions allow for market share increase of loans in certain industries

Loan Secured by Real Estate

\$1,612 Million of Loan Portfolio Secured by Real Estate (80%)



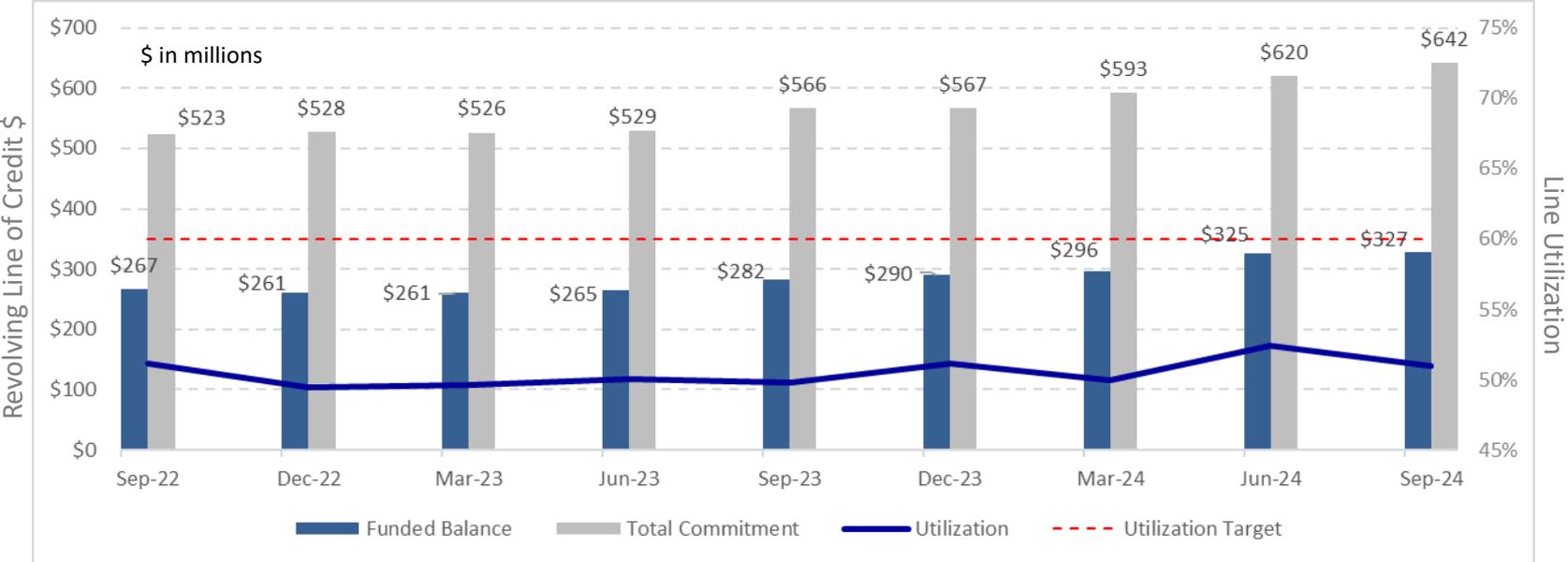
Loans Secured by Real Estate - Specific Portfolio Details

Loan Type	% of Portfolio	WAVG LTV	WAVG DSCR	% Owner Occupied
Office	10.5%	49.7%	3.44	54%
Hotel & Motel	8.6%	50.7%	3.37	N/A
Retail	7.6%	54.4%	2.21	47%
Multifamily	12.3%	60.7%	4.22	N/A

Total Revolving Lines of Credit



Total Revolving Lines of Credit



Overview

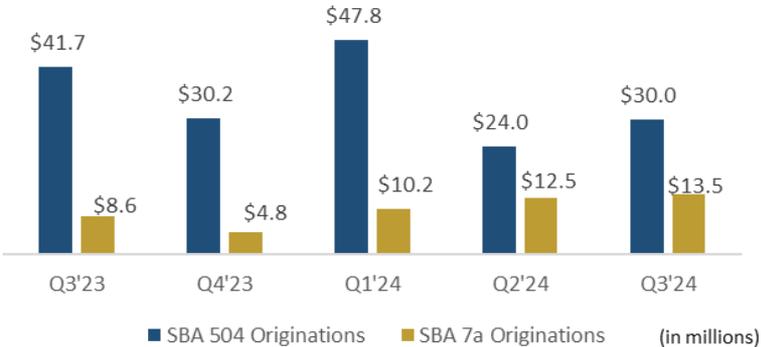
- 11% Compound Annual Growth Rate (CAGR) for revolving line amounts over last 8 quarters
- Operating accounts are a focus to drive core deposits and cash management fees
- We target a 55%-60% utilization and will use the renewal process to ensure prudent credit exposure and additional income on unused lines

Utilization & Rates

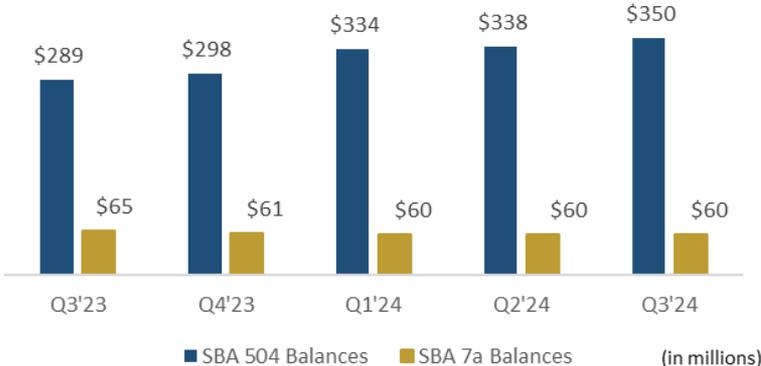
- Use of floors on variable lines to mitigate NIM compression
- Cautiously optimistic on increased future utilizations given economic headwinds (e.g., recession)
- Some paydowns in business lines is expected, putting pressure on DDA growth

Optimizing SBA loan sales versus balance sheet portfolio based on secondary market conditions and loan yields. Approx 1/3 of on balance sheet SBA 7a balances are guaranteed.

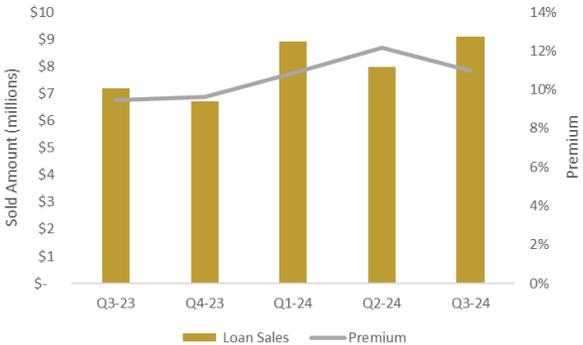
SBA Originations



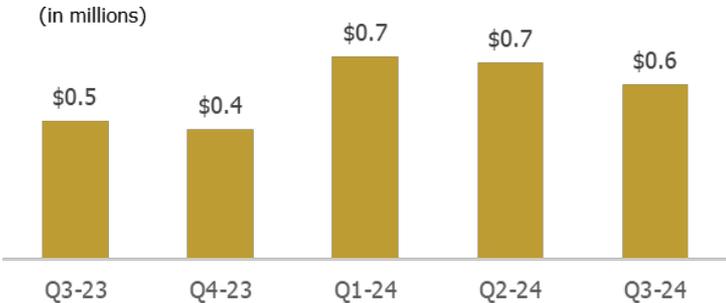
Increasing SBA Loan Balances



SBA 7(a) Loan Sales & Premiums



SBA 7(a) Gain on Sale and Referral Income



Interest Rate Risk Management



Loans Repricing & Maturities

September 30, 2024

Fixed-Rate Loans				Adjustable-Rate Loans (incl. Hybrids)			
Term to Maturity	Balance (in 000's)	Rate	% of Loans	Term to Rate Adjust	Balance (in 000's)	Rate	% of Loans
Within 1 year - RLOC	\$ 14,969	6.17%	0.7%	Within 1 year - RLOC	\$ 305,927	8.86%	15.2%
Within 1 year - Other	122,297	6.26%	6.1%	Within 1 year - Other	296,924	8.52%	14.7%
1 to 2 years	156,171	5.96%	7.8%	1 to 2 years	161,248	5.82%	8.0%
2 to 3 years	124,645	5.30%	6.2%	2 to 3 years	201,640	5.96%	10.0%
3 to 4 years	102,331	5.82%	5.1%	3 to 4 years	181,374	7.61%	9.0%
4 to 5 years	63,044	5.21%	3.1%	4 to 5 years	185,873	7.98%	9.2%
Over 5 years	97,885	5.58%	4.9%	Over 5 years	-	0.00%	0.0%
	\$ 681,343	5.75%	33.8%		\$ 1,332,986	7.69%	66.2%

RLOC = Revolving line of credit

Interest Rate Sensitivity

Rate Shock Scenario (in Bps)	Estimated Change from 9/30/24 Baseline forecast	
	1-Yr Net Interest Income	Economic Value of Equity
+200	-0.8%	13.8%
+100	-0.6%	7.4%
-100	0.9%	-6.5%
-200	1.9%	-13.3%

Investments AFS Portfolio

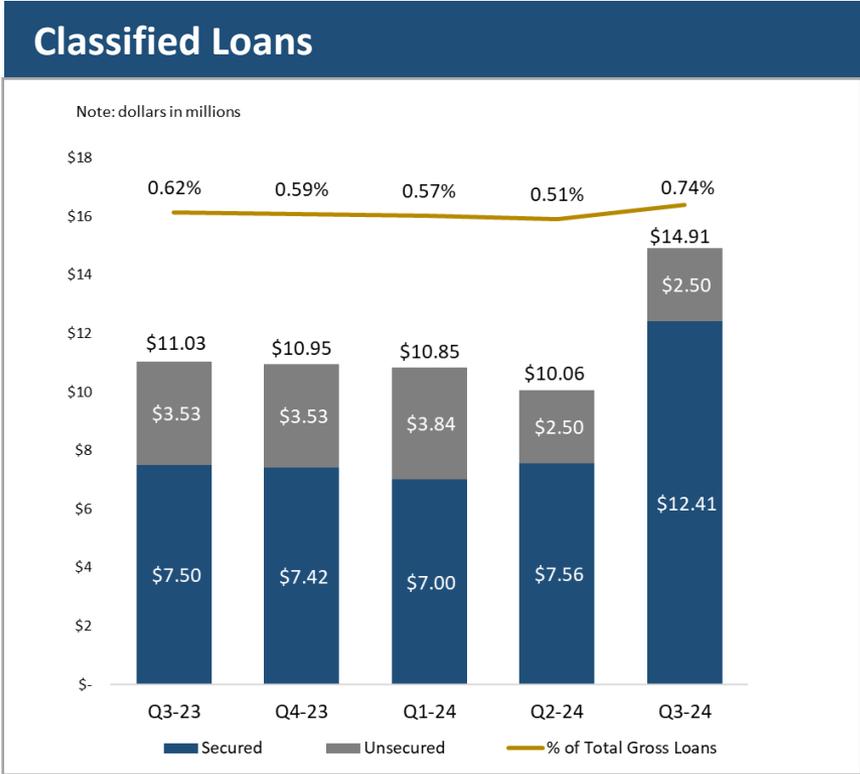
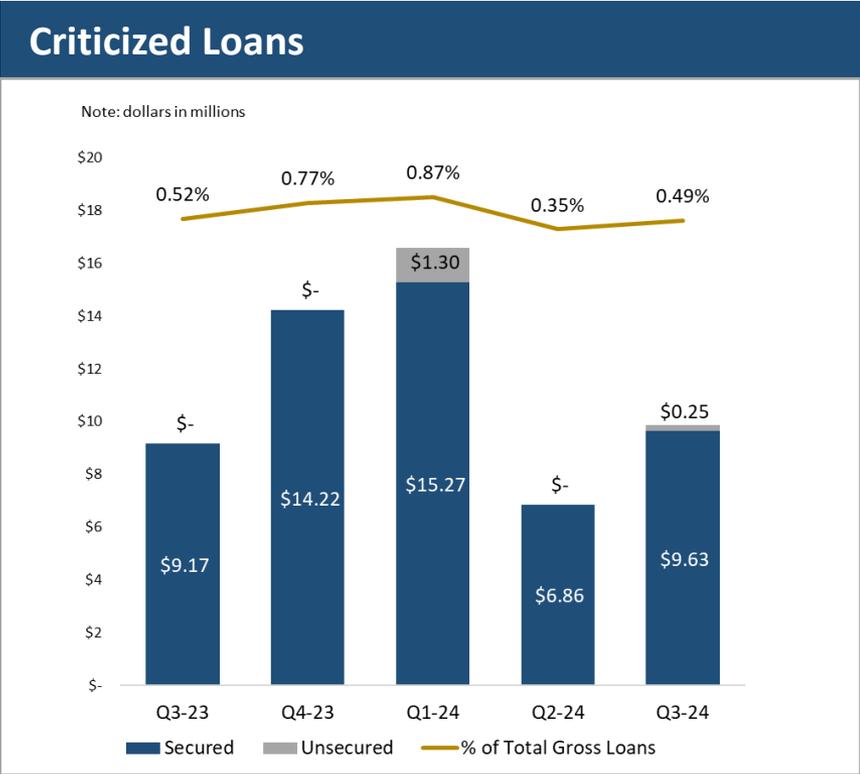
Dollars in thousands

	June 30, 2024				September 30, 2024			
	Fair Value	MTM	Mod Duration	Book Yield	Fair Value	MTM	Mod Duration	Book Yield
U. S. Treasuries	\$ 4,879	(117)	0.68	1.89%	\$ 4,942	(55)	0.45	1.87%
MBS/CMO/CMB	112,285	(12,201)	3.82	3.18%	131,565	(8,603)	3.24	3.42%
SBIC	3,159	(320)	2.80	2.76%	3,107	(176)	2.83	2.79%
Sub Debt	1,403	(347)	5.85	3.89%	1,486	(264)	5.79	3.89%
Total	\$ 121,725	(12,985)	3.70	3.13%	\$ 141,100	(9,099)	3.17	3.36%
Change					19,375			0.23%

Commentary

- At 9/30/24, 34% of loans were fixed-rate and 66% were adjustable (44% hybrid and 22% variable-rate)
- 37% of loans to reprice or mature within 1 year while only 5% of loans scheduled to reprice or mature after 5 years
- Relatively neutral Interest Rate Risk profile and our discipline of maintaining interest rate floors on new loan originations and renewals mitigates interest rate risk in declining-rate environments
- Loan Portfolio average note rate of 6.98% at 9/30/24 compared to 7.06% at 6/30/24

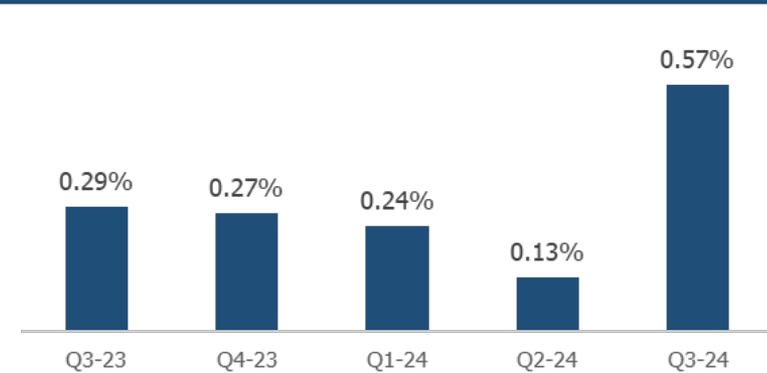
Proactive credit risk and loan portfolio management leading to minimal substandard assets and improving credit metrics



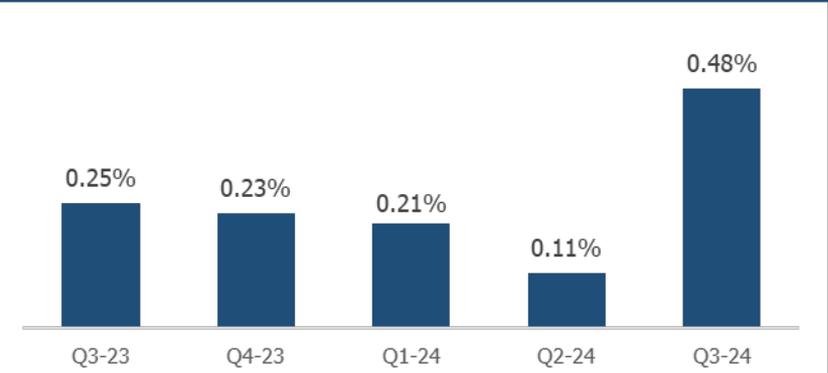
- Reduction of \$9.7M in Criticized Loan balances in Q2'24 was primarily due to the upgrade of 6 loans
- Increase in Classified assets primarily from 1 real estate secured relationship (also reflected in non-performing)
 - Unsecured = any loans that are not secured by a real estate property or cash per regulatory legal lending definition

High-touch relationship-based banking model results in superior portfolio performance

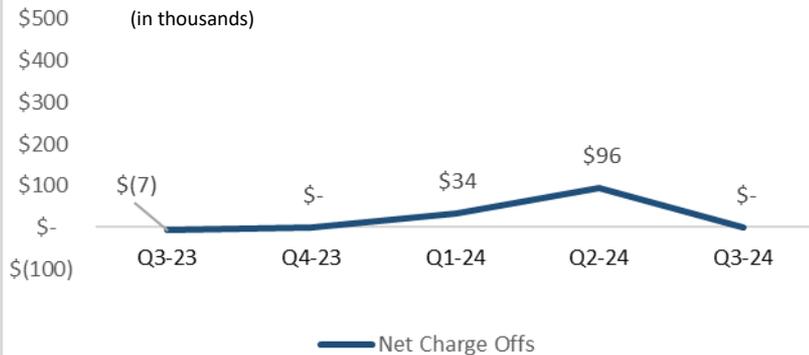
Non-Performing Loans to Total Loans



Non-Performing Assets to Total Assets



Quarterly Net Charge Offs (recoveries)



Credit Commentary

- Proactive SBA and Loan Portfolio Management
- 5 total non-performing loans (\$11.5 million):
 - 1 unsecured C&I loan of \$2.5 million (specific reserve of \$2.0 million)
 - 4 loans associated with a single borrower -
 - 3 SBA loans totaling \$5.8 million with 62% guaranteed
 - 1 secured non residential construction loan with 32% LTV

Current Expected Credit Loss (“CECL”) Implementation

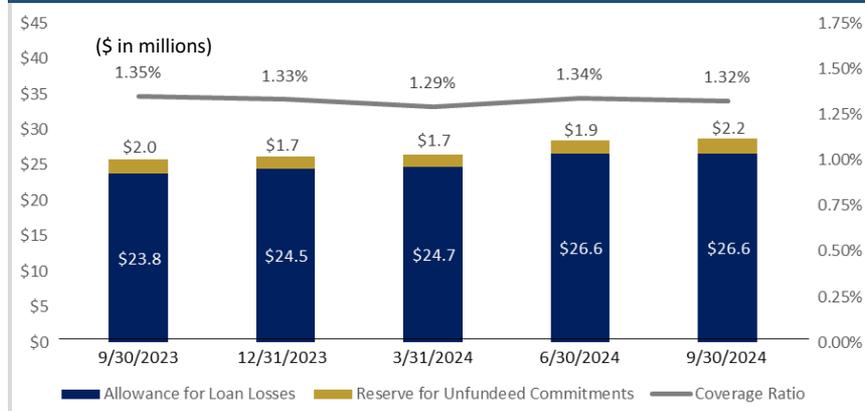
ACL Roll-Forward

	4Q'23		1Q'24		2Q'24		3Q'24		Sep 30, 2024 CECL
	Sep 30, 2023 CECL	Change in Reserve	Dec 31, 2023 CECL	Change in Reserve	Mar 31, 2024 CECL	Change in Reserve	Jun 30, 2024 CECL	Change in Reserve	
<i>\$ in thousands</i>									
Allowance for loan losses	23,789	687	24,476	217	24,693	1,898	26,591	3	26,594
Reserve for unfunded commitments	1,969	(228)	1,741	(18)	1,723	142	1,865	300	2,165
Total allowance for credit losses	25,758	459	26,217	199	26,416	2,040	28,456	303	28,759
Total loans held for investment	1,764,846		1,847,161		1,906,992		1,979,720		2,012,457
Allowance for loan losses to loans HFI	1.35%		1.33%		1.29%		1.34%		1.32%

Quarterly ACL Color

- The decrease in the coverage ratio (allowance for loan losses as % of loans HFI) in Q3 primarily reflects lower reserve rates on CRE loans, mainly due to improvements in the real GDP and CRE price index growth forecast used in our CECL model
- Offsetting the decrease on the coverage ratio, the change in the allowance for loan losses in Q3 also reflected a \$32.7M net increase in loans HFI and a \$0.5M increase in the specific reserve on a nonaccrual loan
- The increase in the reserve for unfunded commitments in Q3'24 primarily reflects an increase in unfunded commitments

Total Allowance for Credit Losses

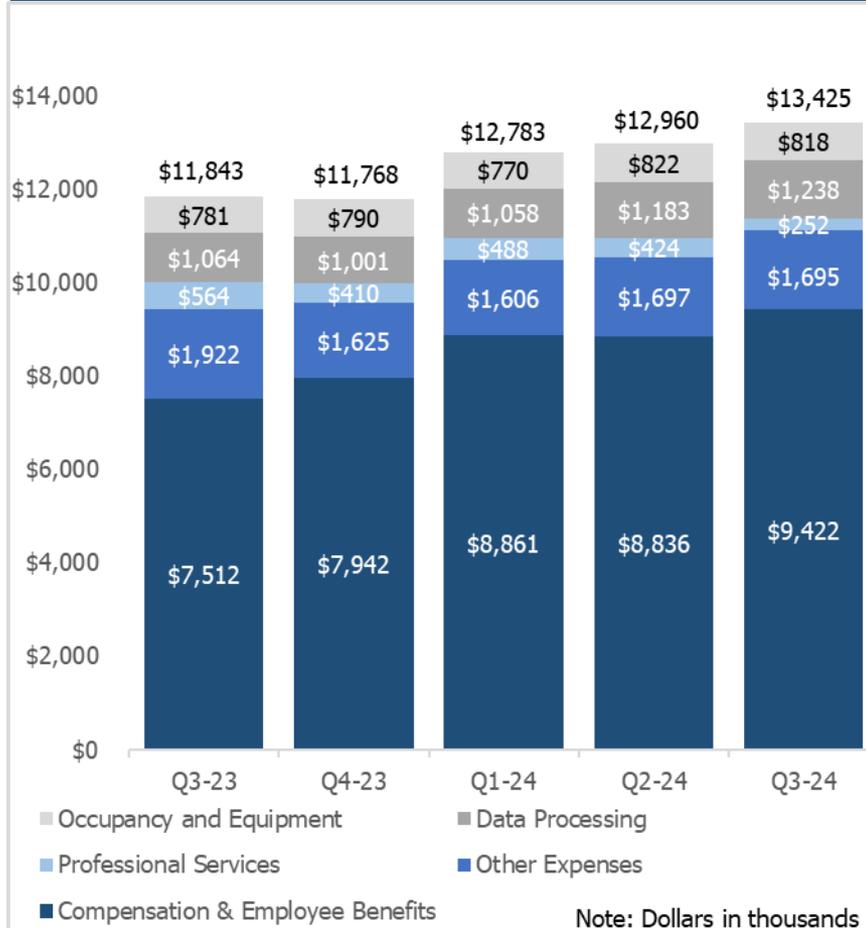


Expenses and Operational Efficiency



Ongoing focus on improving operating leverage through technology and process improvement initiatives while adding talent and improving capabilities and offerings to our Clients

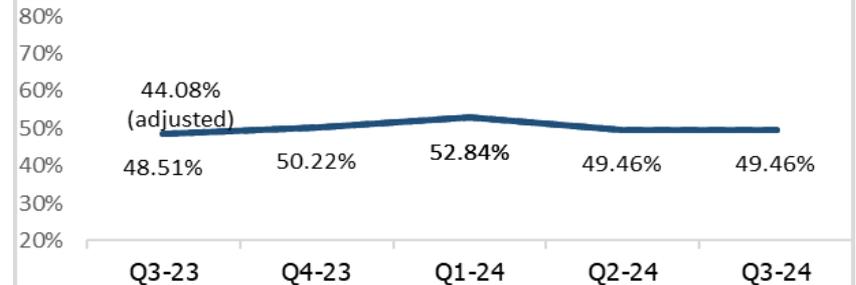
Non-interest Expenses



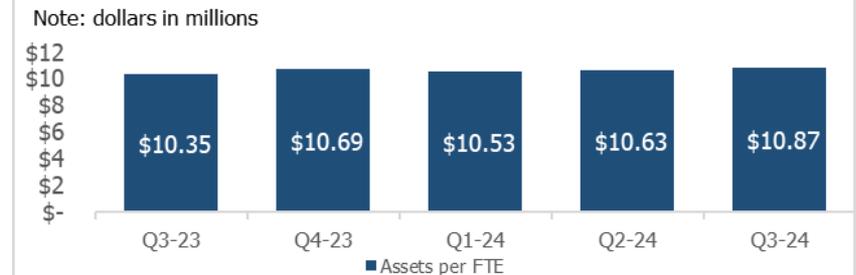
Non-interest Expense & Efficiency Details

- Non-interest expense increased proportionally to the increase in net interest income, resulting in no change to the efficiency ratio for the quarter
- The bank continues to make investments in digitizing our processes throughout the company

Efficiency Ratio



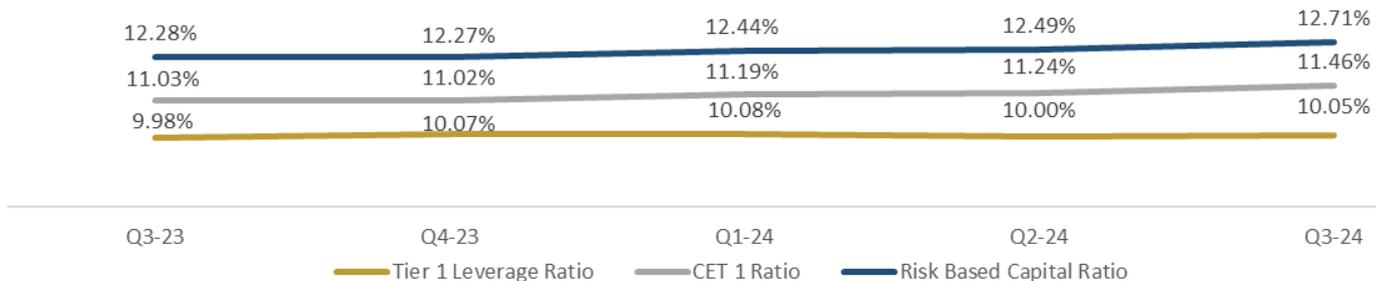
Assets per FTE



Strong Capital Position

Strong build of capital ratios through 2023 & 2024, even with sustained balance sheet growth and no planned dividends

Select CalPrivate Bank Capital Ratios



Tangible Book Value per Share



Capital Strategy

- Manage capital to achieve strong levels of Return on Equity
- Proven ability to add shareholder value by consistently increasing tangible book value
- Investing in areas with strong returns on capital, including SBA 7a lending and fee income lines of business
- Open to strategic investments that enhance shareholder value
- Tangible common equity ratio 8.90% at 9/30/24

CalPrivate Bank's premium service model is a disruptor in the banking sector. Our Distinctively Different™ Service continues to differentiate us in the markets we serve.

2023 Top Banks and Service Businesses (1)	
81	CalPrivate Bank
69	USAA (top ranked Bank)
65	Ritz Carlton (top ranked Hotel)
53	Alaska Airlines (top ranked Airline)
38	Chase
36	Bank of America
21	Wells Fargo
33	U.S. Banking Industry Average

CPB client satisfaction over 2x higher than U.S. Banking Industry

- Exceptional service is our key organic growth driver; word-of-mouth referrals from very satisfied clients.
- NPS Measures client loyalty and likelihood to actively “refer”
- Leads to strong growth and very low deposit attrition rates

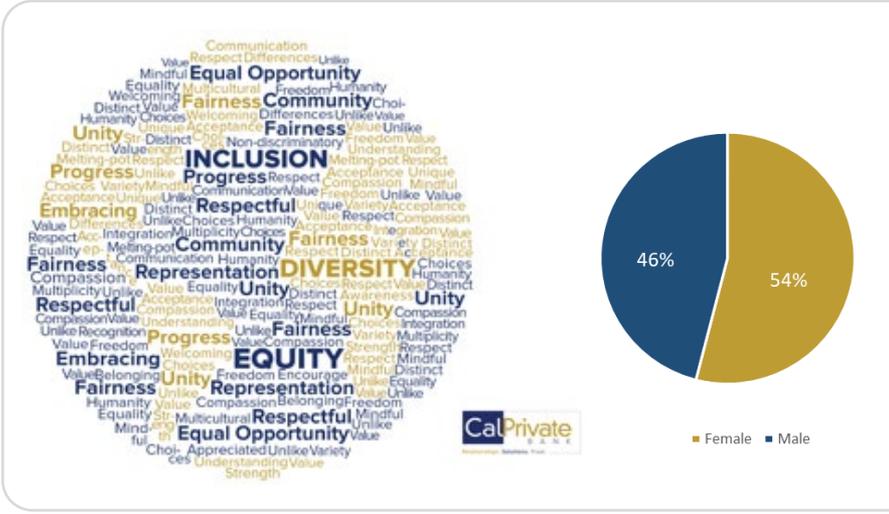
(1) Source: Satmetrix Systems Inc. 3/11//21-11/24/23

Community Outreach & Diversity



Community Support

- An important aspect to our company culture is community engagement
- CalPrivate Bank donates to non-profit organizations across a wide range of community groups from Los Angeles to San Diego
- Employee contributions are matched
- Team members donate volunteer hours in a meaningful way
- A Community Advisory Board is present in each market, made up of civil and business leaders to provide input to the Board and Management



Diversity, Equity and Inclusion

- At CalPrivate Bank, our uncompromising commitment is for equal and fair treatment and respect for all people, regardless of race, gender identity, sexual orientation, economic status, disability, or religion. This commitment is a core tenet of our mission with respect to our Team as well as the communities that we serve.
- Over 60% of the workforce consists of members of under-represented communities
- Dedicated DEI Committee with all levels of management and employee engagement

Technology Principles

- Investment in technology is a competitive necessity
- Enables improved performance by providing improved Client Experience, expansion of the Client base and increased productivity
- Helps address regulatory pressure related to managing operational risks
- Enables scalability for organic growth and M&A

Technology & Innovation Board Committee

- Added Board level expertise in technology, audit and innovation
- Dedicated focus on digital transformation
- Provides oversight on roadmap, governance and budget

Product Strategy

- Focus on products & services development to enhance Client Experience
- Hired new Product Strategy & Innovation team reflecting the Bank's commitment to evolving payments space & digitization
- Internal focus on continuous process and service experience improvement through use of technology and customized tools

Information Technology Management Committee

- Enhancing focus on Cybersecurity and emerging security trends
- Multi-discipline and cross functional membership ensures enterprise adoption

Direct Tech Investments

- Utilize partnerships with BankTech Ventures, BankTech Consortium & JAM FINTOP for enhanced research & development in the Fintech ecosystem
- Board and Management commitment to finding partnerships through industry leaders that are focused on solving the challenges of community banking



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Q&A



(OTCQX: P B A M)

(Holding Company for CalPrivate Bank)

